

VILLAGE OF SHERIDAN, ILLINOIS

ANNUAL FINANCIAL REPORT

MARCH 31, 2018

Prepared by:

*Mack & Associates, P.C.
Certified Public Accountants*

*116 E. Washington Street, Suite One
Morris, IL 60450*

Telephone: (815) 942-3306



CERTIFIED PUBLIC ACCOUNTANTS

VILLAGE OF SHERIDAN, ILLINOIS

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INDEPENDENT AUDITORS' REPORT



116 E. Washington Street
Suite One
Morris, Illinois 60450

Phone: (815) 942-3306
Fax: (815) 942-9430
www.mackcpas.com

TAWNYA R. MACK, CPA
LAURI POPE, CPA
ERICA BLUMBERG, CPA
TREVOR DEBELAK, CPA
MATT MELVIN
CHRIS CHRISTENSEN
STEPHANIE HEISNER

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Honorable Mayor and
Village Board of Trustees
Village of Sheridan, Illinois

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Sheridan, Illinois, as of and for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Sheridan, Illinois, as of March 31, 2018, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–8 and 26–36 and notes to required supplementary information on page 37 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Village of Sheridan, Illinois' basic financial statements. The supplementary information on pages 38-50 is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The component unit combining schedule and the schedules of assessed valuations, tax rates, tax extensions and tax collections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2018, on our consideration of the Village of Sheridan, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Sheridan, Illinois' internal control over financial reporting and compliance.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
September 10, 2018

MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

VILLAGE OF SHERIDAN, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended March 31, 2018

The Village of Sheridan, Illinois' (the "Village") management's discussion and analysis (MD&A) is intended to assist the reader in focusing on significant financial issues, provide an overview of the Village's financial activities, identify changes in the Village's financial position (its ability to meet future financial demands and conditions), identify any material deviations from the governmental unit's financial plan (budget), and identify individual fund issues or concerns.

This discussion and analysis of the Village of Sheridan's financial performance provides an overview of the Village's financial activities for the fiscal year ended March 31, 2018. Please read it in conjunction with the Village's financial statements, which begin on page 9.

Governmental Financial Highlights:

- The Village's governmental assets exceeded its liabilities at the close of the fiscal year by \$3,606,850 (net position). Of this amount, \$1,118,881 (unrestricted net position) may be used to meet the Village's ongoing obligations.
- The Village's total governmental net position increased by \$196,616 during fiscal year 2018 as reported in the Statement of Activities.
- The Village's major governmental revenues consisted of \$58,063 in property tax revenues, \$752,285 in other state taxes (sales, income, use, replacement, motor fuel, utility, telecommunication, and video gaming), and \$51,649 in charges for services.
- As of March 31, 2018, the Village's General Fund ended the year with a fund balance of \$323,725, the Police Fund ended the year with a fund balance of \$93,011, the Streets Fund ended the year with a fund balance of \$62,069, the Special Sewer Reserve Fund ended the year with a fund balance of \$154,481, the Motor Fuel Tax Fund ended the year with a fund balance of \$127,244, the Sewer Fund ended the year with a fund balance of \$238,044, and overall the Village ended the year with a fund balance of \$1,246,125.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the Village of Sheridan's basic financial statements. The Village of Sheridan's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other supplemental information in addition to the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village of Sheridan's finances, in a manner similar to a private-sector business, using the accrual basis of accounting. The government-wide financial statements can be found on pages 9-10 of this report.

The Statement of Net Position presents the Village of Sheridan's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village of Sheridan is improving or deteriorating. The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported when earned/incurred.

The governmental activities of the Village of Sheridan include general government, public safety, streets and lighting, and parks and recreation.

VILLAGE OF SHERIDAN, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended March 31, 2018

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Sheridan, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The governmental fund financial statements are reported using the accrual basis of accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains fifteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for major governmental funds (the General Fund, Police Fund, Streets Fund, Special Sewer Reserve Fund, Motor Fuel Tax Fund, and Sewer Fund). The governmental fund financial statements can be found on pages 11-13 of this report.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-25 of this report.

Required Supplementary Information

This information addresses the Village's budgetary comparison schedules. The Village adopts an annual estimate of appropriations for its General Fund and Special Revenue Fund. A budgetary comparison schedule has been provided for the Village's major governmental funds to demonstrate compliance with this appropriated budget. Required supplementary information can be found on pages 26-37 of this report.

Other Supplementary Information

The combining and individual non-major fund financial statements on pages 38-48 and component unit combining schedule on page 49, and schedule of assessed valuations, tax rates, extensions and collections is presented on page 50 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Although not required, the Village has elected to report the balance sheet for each fund with the corresponding income statement for ease of reading.

VILLAGE OF SHERIDAN, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended March 31, 2018

Government-wide Financial Analysis

Program revenues are generated from charges for services (which includes sewer, miscellaneous licenses, permits, and fees). General revenues were generated from local property taxes, other taxes (consisting of income tax, sales tax, use tax, motor fuel tax, replacement tax, utility taxes, video gaming tax, and excise tax), investment interest, donations, reimbursements and miscellaneous sources.

Financial Analysis of the Village's Major Funds

The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unrestricted fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. An emphasis is placed on the Village's major governmental funds.

Budgetary Highlights

The Village's budget is prepared according to Illinois law and is based on accounting for certain transactions on a cash basis of accounting. A budget to actual schedule is provided as required supplementary information for all major funds.

The Village's General Fund expenditures were under appropriations by \$12,353. The Village's Streets Fund expenditures exceeded appropriations by \$15,649. The excess was related to unexpected building maintenance costs which exceeded appropriations in total by \$18,121.

All other major Village funds operated within the confines of the Board approved Budget & Appropriations Ordinance.

VILLAGE OF SHERIDAN, ILLINOIS

Management’s Discussion and Analysis - Unaudited
For the Year Ended March 31, 2018

Discussion of Financial Statements (Current Year Compared to Prior Year):

**Table 1
Net Position**

	Governmental		% Change 2017-2018
	Activities		
	2018	2017	
Assets:			
Current and other assets	\$ 1,262,967	1,064,867	18.60%
Capital assets	2,360,725	2,285,499	3.29%
Total assets	3,623,692	3,350,366	8.16%
Deferred Outflows of Resources:			
Property taxes levied for subsequent years	51,502	49,250	4.57%
Total assets & deferred outflows	\$ 3,675,194	3,399,616	8.11%
Liabilities:			
Current liabilities	\$ 16,842	-	N/A
Total liabilities	16,842	-	N/A
Deferred Inflows of Resources:			
Property taxes levied for subsequent years	51,502	49,250	4.57%
Net Position:			
Net investment in capital assets	2,360,725	2,285,499	3.29%
Restricted	127,244	752,663	-83.09%
Unrestricted	1,118,881	312,204	258.38%
Total net position	3,606,850	3,350,366	7.66%
Total liabilities, deferred inflows, and net position	\$ 3,675,194	3,399,616	8.11%

Condensed Financial Information: (Statement of Net Position)

As shown above, the Village’s governmental net position increased by 7.66% during the current fiscal year. The increase is related to over \$200,000 invested in capital assets and an increase in state revenues. The Village has \$1,118,881 in unrestricted net position to fund daily operations. In total, the Village’s increase in net position indicates the Village’s financial position improved during the current fiscal year.

VILLAGE OF SHERIDAN, ILLINOIS

Management’s Discussion and Analysis - Unaudited
For the Year Ended March 31, 2018

Table 2
Change in Net Position

	Governmental Activities		% Change
	2018	2017	2017-2018
Revenues			
Program Revenues:			
Charges for services	\$ 51,649	47,609	8.49%
General Revenues:			
Property taxes	58,063	58,466	-0.69%
Other taxes	752,285	614,722	22.38%
Other general revenues/grants	32,287	13,788	134.17%
Total revenues	<u>894,284</u>	<u>734,585</u>	<u>21.74%</u>
Program expenses			
General government	156,999	140,764	11.53%
Transportation and public works	211,323	108,212	95.29%
Public safety	187,048	189,379	-1.23%
Sewer	6,239	6,095	2.36%
Unallocated depreciation	136,059	126,042	7.95%
Total expenses	<u>697,668</u>	<u>570,492</u>	<u>22.29%</u>
Change in net position	196,616	164,093	-19.82%
Net position at beg. of the year	3,350,366	3,186,273	5.15%
Prior period adjustment	59,868	-	N/A
Net position at end of year	<u>\$ 3,606,850</u>	<u>3,350,366</u>	<u>7.66%</u>

Condensed Financial Information: (Statement of Activities)

Governmental revenues increased by 21.74% from 2017 to 2018. Revenue increased by \$159,699 from the previous fiscal year. Governmental expenditures increased by 22.29% during the current fiscal year. Significant changes are related to a sidewalk project (\$146,910), an increase in state tax revenue (\$137,563) in relation to the timing/recording of receivables during the current fiscal year.

VILLAGE OF SHERIDAN, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended March 31, 2018

Capital Asset and Long-term Debt Activity

Capital Assets

The Village's investment in capital assets for its governmental activities at year end totaled \$2,360,725 (net of accumulated depreciation). This investment in capital assets includes land, property held for investment, buildings and improvements, and equipment. The capital asset additions totaled \$211,285 during the year, and \$136,059 of depreciation charges were expensed. See footnote 4 for details of capital assets.

	Governmental Net Book Value of Capital Assets	
	2018	2017
Land	\$ 20,000	20,000
Property Held for Investment	51,594	-
Buildings & Improvements	2,769,047	2,622,137
Vehicles & Equipment	467,708	473,926
Accumulated Depreciation	(947,624)	(830,564)
Total	<u>\$ 2,360,725</u>	<u>2,285,499</u>

Debt Administration

At March 31, 2018, the Village had no outstanding long-term debt obligations.

Economic Factors

Financial and budget planning is directly related to and supportive of the Village's budget plan and operational needs. The Village's financial outlook is influenced by factors such as the economy, employment rates, and commercial and residential growth.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, and potential creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Village of Sheridan, Illinois
115 N. Robinson Street
Sheridan, Illinois 60551
Phone: (815) 496-2251

BASIC FINANCIAL STATEMENTS

**Government-wide Financial Statement
Statement of Net Position
March 31, 2018**

	<u>Primary Government Governmental Activities 2018</u>	<u>Component Units 2018</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 1,127,145	189,103
Due from State of Illinois	135,822	-
Total current assets	<u>1,262,967</u>	<u>189,103</u>
Non-current assets:		
Capital Assets:		
Land	20,000	-
Property Held for Investment	51,594	-
Building and Equipment	3,236,755	-
Accumulated Depreciation	<u>(947,624)</u>	<u>-</u>
Total non-current assets	<u>2,360,725</u>	<u>-</u>
Total assets	<u>3,623,692</u>	<u>189,103</u>
<u>Deferred outflows of resources</u>		
Property taxes levied for subsequent years	<u>51,502</u>	<u>-</u>
Total deferred outflows of resources	<u>51,502</u>	<u>-</u>
Total assets and deferred outflows	<u>\$ 3,675,194</u>	<u>189,103</u>
<u>Liabilities</u>		
Current Liabilities:		
Accounts payable	<u>\$ 16,842</u>	<u>-</u>
Total liabilities	<u>16,842</u>	<u>-</u>
<u>Deferred inflows of resources</u>		
Property taxes levied for subsequent years	<u>51,502</u>	<u>-</u>
Total deferred inflows of resources	<u>51,502</u>	<u>-</u>
<u>Net Position</u>		
Net investment in capital assets	2,360,725	-
Restricted	127,244	189,103
Unrestricted	<u>1,118,881</u>	<u>-</u>
Total net position	<u>3,606,850</u>	<u>189,103</u>
Total liabilities, deferred inflows, and net position	<u>\$ 3,675,194</u>	<u>189,103</u>

The Notes to Basic Financial Statements are an integral part of this statement.

**Government-wide Financial Statement
Statement of Activities
For the Year Ended March 31, 2018**

Program Activities	Expenditures	Program Revenues			Net (Expenditures) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government 2018	Component Units
Governmental activities:						
Administrative	\$ 156,999	4,652	-	-	(152,347)	-
Transportation & Public Works	211,323	-	-	-	(211,323)	-
Public Safety	187,048	4,957	4,680	-	(177,411)	-
Sewer	6,239	42,040	-	-	35,801	-
Unallocated Depreciation	136,059	-	-	-	(136,059)	-
Total primary government	697,668	51,649	4,680	-	(641,339)	-
Component units:						
Social Services	13,975	-	1,340	-	-	(12,635)
Culture & Recreation	265	-	1,064	-	-	799
Total component units	\$ 14,240	-	2,404	-	-	(11,836)
		General revenues:				
		Taxes:				
		Property taxes		\$ 58,063		-
		Utility tax		71,677		-
		Sales tax		157,414		-
		Income tax		343,008		-
		Replacement tax		1,034		-
		Local use tax		79,993		-
		Interest Income		924		2,101
		Motor fuel tax		78,173		-
		Video gaming tax		20,986		-
		Miscellaneous		26,683		50
		Total general revenues		837,955		2,151
		Change in net position		196,616		(9,685)
		Net position, beginning of year, as originally reported		3,350,366		198,788
		Prior period adjustment		59,868		-
		Net position, beginning of year, as restated		3,410,234		198,788
		Net position, end of year		\$ 3,606,850		189,103

The Notes to Basic Financial Statements are an integral part of this statement.

**Balance Sheet - Governmental Funds
March 31, 2018**

	Major Funds						Non-major Governmental Funds	Total Governmental Funds 2018
	General Fund	Police Fund	Streets Fund	Special Sewer Reserve Fund	Motor Fuel Tax Fund	Sewer Fund		
<u>Assets</u>								
Cash	\$ 309,935	58,107	23,087	154,481	121,674	224,382	235,479	1,127,145
Due from State of Illinois	16,399	36,712	44,498	-	5,570	18,182	14,461	135,822
Total assets	<u>326,334</u>	<u>94,819</u>	<u>67,585</u>	<u>154,481</u>	<u>127,244</u>	<u>242,564</u>	<u>249,940</u>	<u>1,262,967</u>
<u>Deferred outflows of resources</u>								
Property taxes levied for subsequent years	43,000	7,501	1,001	-	-	-	-	51,502
Total deferred outflows	<u>43,000</u>	<u>7,501</u>	<u>1,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,502</u>
Total assets and deferred outflows	<u>\$ 369,334</u>	<u>102,320</u>	<u>68,586</u>	<u>154,481</u>	<u>127,244</u>	<u>242,564</u>	<u>249,940</u>	<u>1,314,469</u>
<u>Liabilities</u>								
Accounts payable	\$ 2,609	1,808	5,516	-	-	4,520	2,389	16,842
Total liabilities	<u>2,609</u>	<u>1,808</u>	<u>5,516</u>	<u>-</u>	<u>-</u>	<u>4,520</u>	<u>2,389</u>	<u>16,842</u>
<u>Deferred inflows of resources</u>								
Property taxes levied for subsequent years	43,000	7,501	1,001	-	-	-	-	51,502
Total deferred inflows	<u>43,000</u>	<u>7,501</u>	<u>1,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,502</u>
<u>Fund Balances</u>								
Unassigned	323,725	-	-	-	-	-	-	323,725
Assigned	-	93,011	62,069	154,481	-	238,044	247,551	795,156
Restricted	-	-	-	-	127,244	-	-	127,244
Total fund balances	<u>323,725</u>	<u>93,011</u>	<u>62,069</u>	<u>154,481</u>	<u>127,244</u>	<u>238,044</u>	<u>247,551</u>	<u>1,246,125</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 369,334</u>	<u>102,320</u>	<u>68,586</u>	<u>154,481</u>	<u>127,244</u>	<u>242,564</u>	<u>249,940</u>	

Reconciliation to Statement of Net Position:

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities of \$3,308,349 (net of accumulated depreciation of \$947,624) are not financial resources and, therefore, are not reported in the funds.

Net position of governmental activities

\$ 2,360,725
\$ 3,606,850

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended March 31, 2018

	Major Funds						Non-major Governmental Funds	Total Governmental Funds
	General Fund	Police Fund	Streets Fund	Special Sewer Reserve Fund	Motor Fuel Tax Fund	Sewer Fund		
Revenues:								
Property taxes	\$ 40,506	7,456	10,101	-	-	-	-	58,063
Utility tax	9,264	25,643	24,690	-	-	2,097	9,983	71,677
Sales tax	20,154	55,741	55,378	-	-	4,413	21,728	157,414
Income tax	43,955	121,574	120,443	-	-	9,653	47,383	343,008
Replacement tax	132	366	365	-	-	29	142	1,034
Local use tax	10,288	28,464	27,861	-	-	2,289	11,091	79,993
Video gaming tax	20,986	-	-	-	-	-	-	20,986
Interest income	93	258	243	-	208	21	101	924
Motor fuel tax	-	-	-	-	78,173	-	-	78,173
Charges for services	-	-	-	-	-	42,040	-	42,040
Fines, fees, and forfeitures	-	3,319	-	-	-	-	-	3,319
Licenses and permits	592	1,638	1,547	-	-	137	2,376	6,290
Donations	-	-	-	-	-	-	4,680	4,680
Miscellaneous	356	687	1,328	-	-	-	24,312	26,683
Total revenues	146,326	245,146	241,956	-	78,381	60,679	121,796	894,284
Expenditures:								
Current:								
Administrative	120,955	-	46,409	-	-	-	41,228	208,592
Public safety	-	180,587	-	-	-	-	6,461	187,048
Transportation and public works	-	-	123,030	-	88,293	-	-	211,323
Sewer	-	-	-	-	-	6,239	-	6,239
Capital outlay	12,782	-	146,910	-	-	-	-	159,692
Total expenditures disbursed	133,737	180,587	316,349	-	88,293	6,239	47,689	772,894
Excess (deficiency) of revenues over (under) expenditures	12,589	64,559	(74,393)	-	(9,912)	54,440	74,107	121,390

The Notes to Basic Financial Statements are an integral part of this statement.

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended March 31, 2018**

	Major Funds						Non-major Governmental Funds	Total Governmental Funds
	General Fund	Police Fund	Streets Fund	Special Sewer Reserve Fund	Motor Fuel Fund	Sewer Fund		
Other financing sources (uses):								
Transfers (to) from	\$ -	-	-	-	-	63,805	(63,805)	-
Total other financing sources (uses)	-	-	-	-	-	63,805	(63,805)	-
Net change in fund balance	12,589	64,559	(74,393)	-	(9,912)	118,245	10,302	121,390
Fund balance, beginning of year, as originally reported	312,204	26,638	136,667	154,481	87,156	114,120	233,601	1,064,867
Prior period adjustment	(1,068)	1,814	(205)	-	50,000	5,679	3,648	59,868
Fund balance, beginning of year, restated	311,136	28,452	136,462	154,481	137,156	119,799	237,249	1,124,735
Fund balances - ending	\$ 323,725	93,011	62,069	154,481	127,244	238,044	247,551	1,246,125

Reconciliation to the Statement of Activities:

Net Change in Fund Balances - total governmental funds \$ 121,390

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The change in fund balance must be increased by capital purchases and decreased by depreciation expense.

Land held for investment	51,594
Purchase of capital assets	159,691
Depreciation	(136,059)
Change in net position of governmental activities (Statement B)	\$ 196,616

The Notes to Basic Financial Statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Sheridan, Illinois is an Illinois unit of local government. The Village provides general governmental services to citizens.

The financial statements of the Village of Sheridan have been prepared using accounting principles generally accepted in the United States of America.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the Village's accounting policies are described below.

A. Reporting Entity

The Village Board is the basic level of government which has oversight responsibility and control over all activities related to the operation of the Village of Sheridan, the primary government unit. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding sources entities. However, the Board is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

The Village follows the provision of Governmental Accounting Standards Board Statement No. 39, "Determining Whether Certain Organizations Are Component Units – an amendment of Statement No. 14." As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate, tax-exempt entities and meet all of the following criteria:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

The Village is not aware of any entity which would exercise such oversight as to result in the Village being considered a component unit of the entity.

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

A. Reporting Entity (continued)

The Village has two component units that meet the definition on the previous page:

1. Sheridan Cemetery Association was established by the Village of Sheridan to administer the cemetery owned by the Village. The Village Board can remove appointed members at will. The Association accounts for the receipts and disbursements of the Sheridan Cemetery and prepares a budget annually. The Association is presented as a discretely presented component unit in the accompanying financial statements, as the Association's governing body is not substantively the same as that of the Village of Sheridan.
2. Sheridan Historical Society was established by the Village of Sheridan to manage the historical museum owned by the Village. The Village Board can remove appointed members at will. The Society accounts for the receipts and disbursements of the Sheridan Historical Society and prepares a budget annually. The Society is presented as a discretely presented component unit in the accompanying financial statements, as the Society's governing body is not substantively the same as that of the Village of Sheridan.

Neither component unit has separately audited financial statements.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements:

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Village. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. For the most part, the effect of the inter-fund activity has been removed from these statements. The Village has no business-type funds.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to citizens or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as general revenues.

Earnings on investments not included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using accounting principles generally accepted in the United States of America. Revenues are recognized when they are realized and are earned, no matter when cash is received.

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. Government-wide and Fund Financial Statements – (Continued)

Fund Financial Statements:

The accounts of the Village are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures, or expenses, as appropriate. Village resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Village has the following funds:

Governmental Fund Types - Governmental funds are those through which general governmental functions of the Village are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as “fund balance.” The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following comprise the Village’s major governmental funds:

General Fund - The General Fund is the general operating fund of the Village. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds to specific revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes. The Village’s major special revenue funds are:

Police Fund – accounts for taxes restricted for payment of police service related expenditures.

Streets Fund – accounts for funds restricted for maintenance and upkeep of Village streets, sidewalks, and infrastructure.

Special Sewer Reserve Fund – accounting for the accumulation of funds reserved for sewer related capital projects.

Motor Fuel Tax Fund - accounts for the motor fuel tax monies received from the State of Illinois, restricted for street and road project expenditures approved by the State of Illinois.

Sewer Fund – accounts for tax revenues reserved for repairs and maintenance of the sewer system within the Village.

Measurement Focus

In the Government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus.

In the fund financial statements, the governmental activities are presented using the “current financial resources” measurement focus.

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement Focus – (continued)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses).

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All of the funds are maintained during the year by the Village using the cash basis of accounting. At the end of the year, the financial statements are converted to the modified accrual basis of accounting through the posting of journal entries.

1. Government-wide financial statements

The governmental activities in the government-wide financial statements are presented using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Governmental fund financial statements:

The governmental fund financial statements are presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

D. Assets, Liabilities, and Net Position

Cash and Investments

Illinois statute authorizes the Village to invest in obligations of the U.S. Treasury, U.S. Agencies and banks and savings and loan associations covered by the federal depository insurance. The Village may also invest in commercial paper of U.S. corporations with assets exceeding \$500,000,000 provided that (a) the obligations are rated with the three highest classifications by at least two standards rating services and they mature within 180 days from the date of purchase, and (b) no more than 25% of any fund is invested in such obligation at any one time and (c) such purchases do not exceed 10% of the corporation's outstanding obligations.

Cash and cash equivalents, for reporting purposes, include bank accounts, petty cash and all short-term investments with a remaining maturity of three months or less when purchased, such as certificates of deposit. All amounts are stated at cost which approximates market.

The Village had no investments as of March 31, 2018.

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

D. Assets, Liabilities, and Net Position (continued)

Capital Assets and Long-term Liabilities

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheets.

The reported fund balance (net position) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net position. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Depreciation is provided in amounts sufficient to relate costs of the depreciable assets to operations over their estimated service lives on the straight-line basis. A capitalization threshold of \$2,500 for individual equipment, \$10,000 for building and improvements, and \$50,000 for infrastructure (road, bridges, culverts, curbs, sidewalks, lighting, gutters and drainage systems) is used to report capital assets. The service lives by type of asset are as follows:

Buildings	40-50 years
Improvements, other than buildings	10-25 years
Machinery, furniture, and equipment	3-20 years

In the fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Comparative Information

The prior year comparison information is provided in the MD&A, as required, however no comparative information was provided in the financial statements.

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

D. Assets, Liabilities, and Net Position (continued)

Net Position

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. At March 31, 2018, net investment in capital assets consists of the following:

	<u>Governmental Activities</u>
Capital assets, at cost	\$ 3,308,349
Less: Accumulated depreciation	<u>(947,624)</u>
Net investment in capital assets	<u>\$ 2,360,725</u>

- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definitions of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Village’s policy to use restricted resources first, then unrestricted resources as they are needed.

E. Property Taxes

The Village’s property tax levy must be adopted by the board by the last Tuesday of December. Property taxes are recognized as revenues when they are received. Property taxes receivable and deferred property tax revenue is recorded as deferred outflows and inflows to disclose the tax levy amount to be received in the subsequent year. Property taxes are levied and attach as an enforceable lien on property on January 1 and are payable in two installments due on June 1 and September 1 subsequent to the year of levy.

The 2016 property tax levy, in the amount of \$49,250, adjusted to \$49,629, was adopted on November 14, 2016 and was received by the Village in the current fiscal year. The 2017 tax levy, in the amount of \$51,500, adjusted to \$51,502, was adopted on October 9, 2017 and will be received by the Village in the subsequent fiscal year.

The Village reported the entire 2017 tax levy as deferred outflows as required by GAAP. If the Village would receive a portion of that property tax levy within the first 60 days of the subsequent fiscal year, revenue would be recognized as required.

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2018

NOTE 2: DEPOSITS & INVESTMENTS

Separate bank accounts are not maintained for all Village funds. Funds maintain their cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the Board. Such overdrafts constitute inter-fund loans. As of March 31, 2018, the funds participating in the common bank account had the following cash balances:

<u>Fund</u>	<u>Balance</u>
General Fund	\$ 109,935
Police Fund	58,107
Streets Fund	23,087
Parks Fund	7,690
Zoning & Building Fund	29,887
Cemetery Fund	9,629
Sewer Fund	224,382
Sewer Special Reserve Fund	154,481
Street Equipment Reserve Fund	91,370
Police Vehicle Reserve Fund	33,987
Capital Project Fund	57,000
Total	<u>\$ 799,555</u>

The Village's deposits and certificates of deposits are required to be covered by federal depository insurance (FDIC) or by securities held by the pledging financial institution. The FDIC currently insures the first \$250,000 of the Village's deposits at each financial institution. Deposit balances over FDIC limits are collateralized with securities held by the pledging financial institution. At March 31, 2018, the bank balance of the Village's deposits was \$1,141,907 and the carrying amount was \$1,127,145. All of the Village's uninsured deposits (\$891,907) were collateralized with securities held by the pledging financial institution.

Custodial Credit Risk:

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of another party. The Village does not have a deposit policy for custodial credit risk.

NOTE 3: PERSONAL PROPERTY REPLACEMENT TAX

The Village receives Personal Property Replacement Tax, which represents an additional State of Illinois income tax on corporations (certain utilities), trusts, partnerships, and Subchapter S corporations and a new tax on the invested capital of public utilities providing gas, communications, electrical and waste services.

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 4: CAPITAL ASSETS

A summary of changes in capital assets follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 20,000	-	-	20,000
Property held for investment	-	51,594	-	51,594
Total capital assets not being depreciated:	20,000	51,594	-	71,594
Capital assets being depreciated				
Machinery & equipment	473,927	12,781	(19,000)	467,708
Buildings & Improvements	2,622,137	146,910	-	2,769,047
Total capital assets being depreciated	3,096,064	159,691	(19,000)	3,236,755
Total capital assets, cost	3,116,064	211,285	(19,000)	3,308,349
Less accumulated depreciation for:				
Machinery & equipment	(342,329)	(38,245)	-	(380,574)
Buildings	(488,236)	(97,814)	19,000	(567,050)
Total accumulated depreciation	(830,565)	(136,059)	19,000	(947,624)
Governmental activities capital assets, net	\$ 2,285,499	75,226	-	2,360,725

Significant additions for the year ended March 31, 2018 included the following:

Governmental Activities:	
Sidewalk Improvements	\$ 146,910

Depreciation is reported as an unallocated expense in the government-wide financial statements.

NOTE 5: PROPERTY HELD FOR INVESTMENT

On February 12, 2018, the Village entered into an intergovernmental agreement with the Robert W. Rowe Public Library District ("the District"). As part of the agreement, the District deeded Lots 7 and 8 in Block 18 of N. Robinson Street to the Village and contribute \$30,000 to the Village in return for the Village demolishing the existing building on the subject property and constructing a parking lot on said property. The District's contribution of \$30,000 is to be deposited in a joint account in the names of the Village and the District at Sheridan State Bank in the nature of an escrow account. The Village will seek bids not to exceed \$100,000 to complete the project.

Upon completion of the parking lot, the Village shall pass a parking ordinance prohibiting parking during library hours on up to half of the parking stalls except for library patrons. The intergovernmental agreement shall prematurely terminate if the parking lot is not constructed within three years of the agreement signature.

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 6: INDIVIDUAL FUND DISCLOSURES

During the course of normal operations, the Village has numerous transactions among funds including expenditures and transfers of resources primarily to provide services. The governmental fund financial statements generally reflect such transactions as transfers

The transfers represent routine items. Generally, transfers occur to meet the operating purposes of another fund. A transfer of \$63,805 was made to from the IEPA Sliplining Project Fund to the Sewer Fund to close the IEPA Sliplining Project Fund, as the purpose of the fund reserve was completed in the previous fiscal year.

NOTE 7: RISK MANAGEMENT

The Village is exposed to various risks of loss including, but not limited to, general liability, property casualty, workers compensation and public official liability. To limit exposure to these risks, the Village has obtained liability insurance coverage from a commercial insurance company.

During the year ended March 31, 2018, there were no significant reductions in insurance coverage from the prior year. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

NOTE 8: CONTINGENCIES

Litigation

The Village is not a defendant in any current litigation. With regards to other pending matters, the eventual outcome and the related liability, if any, is not determinable at this time.

NOTE 9: LEGAL DEBT MARGIN

The following schedule illustrates the legal debt margin of the Village as of March 31, 2018:

Assessed valuation - 2017	<u>\$ 10,220,202</u>
Statutory debt limitation (8.625% of assessed valuation)	\$ 881,492
Debt outstanding at March 31, 2018:	<u>-</u>
Legal debt margin	<u>\$ 881,492</u>

NOTE 10: MOTOR FUEL TAX ALLOTMENTS

Allotments to the Village are received from the State of Illinois each month. These allotments, however, may be expended only for specific projects that have been approved by the Department of Transportation, State of Illinois. The Village's Motor Fuel Tax Allotments are accounted for in a separate Motor Fuel Tax Fund.

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 11: FUND BALANCE – GASB 54 PRESENTATION

According to Government Accounting Standards, fund balances are to be classified into five major classifications: Non-spendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

A. *Non-spendable Fund Balance*

The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

B. *Restricted Fund Balance*

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Restrictions may be imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Debt Service Funds are by definition restricted for these specified purposes. The Village has several different funds that also fall into these categories:

The Motor Fuel Tax Fund has a restricted fund balance in the amount of \$127,244 as of fiscal year end.

Cash receipts and the related disbursements of the following restricted tax levies are accounted for in the General Fund. A portion of the General Fund’s equity represents cumulative receipts over cumulative disbursements which is restricted for future expenditures for the following purposes.

	Beginning Balance	Levy	Expenditure	Restricted Balance
Audit	\$ -	5,964	7,800	-
Liability Insurance*	-	19,880	27,734	-
Total	\$ -	25,844	35,534	-

*Liability insurance expenditures include \$27,734 in risk management expenditures.

C. *Committed Fund Balance*

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority (the Village Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts. The Village had no committed balances as of March 31, 2018.

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 13: FUND BALANCE – GASB 54 PRESENTATION – (Continued)

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the Village Board itself or (b) the finance committee or by the Treasurer/Administrator when the Village Board has delegated the authority to assign amounts to be used for specific purposes. Annually, the Village Board approves the allocation of state tax revenues (income, sales, use, replacement and utility). The Board approves the percentage to be allocated to specific funds. As of March 31, 2018, the Village has the following assigned fund balances:

<u>Fund</u>	<u>Balance</u>
Police Fund	\$ 93,011
Streets Fund	62,069
Special Sewer Reserve Fund	154,481
Sewer Fund	238,044
Zoning and Building Fund	29,927
Cemetery Fund	9,629
Parks Fund	13,048
Street Equipment Reserve Fund	92,482
Police Vehicle Reserve Fund	36,212
DARE Fund	4,474
Veterans Memorial Park Fund	1,442
Capital Project Fund	<u>60,337</u>
Total	<u><u>\$ 795,156</u></u>

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds.

F. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

VILLAGE OF SHERIDAN, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended March 31, 2018**

NOTE 12: SUBSEQUENT EVENTS

Management evaluated subsequent events through September 10, 2018, the date the financial statements were available to be issued. No amounts were required to be recorded or disclosed in the financial statements as of March 31, 2018.

NOTE 13: PRIOR PERIOD ADJUSTMENT

Prior period adjustments were required to properly report beginning fund balance. Previous year accruals were not properly reported in the financial statements. In addition, the Motor Fuel Tax Fund cash balance did not include a \$50,000 certificate of deposit. As a result of these errors, a \$59,868 prior period adjustment was required.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF SHERIDAN, ILLINOIS
GENERAL FUND

SCHEDULE A-1

Balance Sheet
March 31, 2018

<u>Assets</u>	
Cash	\$ 309,935
Due from State of Illinois	<u>16,399</u>
Total assets	<u>326,334</u>
<u>Deferred Outflows of Resources</u>	
Property taxes levied for subsequent years	<u>43,000</u>
Total deferred outflows	<u>43,000</u>
Total assets and deferred outflows	<u>\$ 369,334</u>
<u>Liabilities</u>	
Accounts payable	<u>\$ 2,609</u>
Total liabilities	<u>2,609</u>
<u>Deferred Inflows of Resources</u>	
Property taxes levied for subsequent years	<u>43,000</u>
Total deferred inflows of resources	<u>43,000</u>
<u>Fund Balance</u>	
Unassigned fund balance	<u>323,725</u>
Total fund balance	<u>323,725</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 369,334</u>

VILLAGE OF SHERIDAN, ILLINOIS
GENERAL FUND

SCHEDULE A-2

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018

	Original and Final Budget	Year Ended March 31, 2018
Revenues:		
General property taxes	\$ 14,000	14,662
Audit Tax Levy	6,000	5,964
Insurance Tax Levy	20,000	19,880
Municipal Telephone & Utility Tax	8,840	9,264
Liquor Licenses	722	592
Business & Gaming Licenses	200	-
State income taxes	37,050	43,955
Replacement taxes	143	132
Sales Tax	15,600	20,154
Use Tax	8,060	10,288
Interest Income	88	93
Video Gaming Tax	12,000	20,986
Miscellaneous	250	356
Total revenues	\$ 122,952	146,326

VILLAGE OF SHERIDAN, ILLINOIS
GENERAL FUND

SCHEDULE A-2
(Continued)

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018

	Original and Final Budget	Year Ended March 31, 2018
Expenditures:		
Administrative:		
Salaries - Mayor and Trustees	\$ 12,000	9,700
Salary - Administrator	37,440	37,277
Salaries - Custodial & cleaning	600	575
Salary - Clerk	1,300	1,200
Salaries - Administrator overtime	250	-
Unemployment insurance	200	125
Social security	3,300	3,168
Medicare	800	741
Contractual services:		
Maintenance service - building	6,500	5,791
Accounting service	7,800	7,800
Engineering	200	-
Legal service	20,000	17,040
LOCIS services	1,200	1,104
Internet service provider	750	750
Telephone	3,000	1,201
Publishing	250	116
Dues	1,200	757
Travel	50	659
Training	200	-
Utilities	5,000	4,296
NCICG local share	1,000	1,000
Risk management	28,000	27,734
Commodities:		
Postage	750	487
Office supplies	2,500	1,554
Miscellaneous/contingency	11,000	10,087
Capital outlay:		
Equipment	800	575
Total expenditures	<u>146,090</u>	<u>133,737</u>
Net change in fund balance	<u>\$ (23,138)</u>	<u>12,589</u>
Fund balance, beginning of year, as originally reported		312,204
Prior period adjustment		<u>(1,068)</u>
Fund balance, beginning of year, restated		311,136
Fund balance, end of year		<u>\$ 323,725</u>

VILLAGE OF SHERIDAN, ILLINOIS
POLICE FUND

SCHEDULE B-1

Balance Sheet
March 31, 2018

<u>Assets</u>		
Cash		\$ 58,107
Due from State of Illinois		<u>36,712</u>
Total assets		<u>94,819</u>
<u>Deferred Outflows of Resources</u>		
Property taxes levied for subsequent years		<u>7,501</u>
Total deferred outflows		<u>7,501</u>
Total assets and deferred outflows		<u>\$ 102,320</u>
<u>Liabilities</u>		
Accounts payable		<u>\$ 1,808</u>
Total liabilities		<u>1,808</u>
<u>Deferred Inflows of Resources</u>		
Property taxes levied for subsequent years		<u>7,501</u>
Total deferred inflows		<u>7,501</u>
<u>Fund Balance</u>		
Assigned fund balance		<u>93,011</u>
Total fund balance		<u>93,011</u>
Total liabilities, deferred inflows, and fund balance		<u>\$ 102,320</u>

**VILLAGE OF SHERIDAN, ILLINOIS
POLICE FUND**

**SCHEDULE B-2
(continued)**

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018**

	Original and Final Budget	Year Ended March 31, 2018
Revenues:		
Police protection levy	\$ 7,500	7,456
Utility tax	24,480	25,643
Liquor licenses	1,998	1,638
Income tax	102,600	121,574
Replacement tax	396	366
Sales tax	43,200	55,741
Use tax	22,320	28,464
Court fines	2,000	3,227
Forfeits drug & DUI fines	300	92
Impound fee	3,000	-
Animal control	50	-
Training reimbursement	2,500	-
Interest income	243	258
Miscellaneous income	500	687
Total revenues	<u>211,087</u>	<u>245,146</u>
Expenditures:		
Administrative:		
Full-Time Officer - Chief	60,426	65,307
Full-Time Officer	39,314	38,553
Part-Time Officers	40,000	21,948
Salaries - overtime	1,200	505
Full time officer holiday	600	-
Life insurance	650	624
Unemployment insurance	500	296
Social security	9,000	7,948
Retirement	2,000	2,000
Medicare	2,200	1,859
Uniform allowance	1,800	2,523
Contractual services:		
Maintenance Service - building	1,000	1,099
Maintenance Service - equipment	2,000	815
Maintenance service- vehicle	4,000	939
Engineering service	500	-
Legal service	6,000	4,539
Communications service	2,000	1,727
Regular phone & long distance	2,800	2,972
Cell phone	1,800	1,786
Dues	600	603
Training	2,500	6,555

**VILLAGE OF SHERIDAN, ILLINOIS
POLICE FUND**

SCHEDULE B-2
(continued)

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018**

	Original and Final Budget	Year Ended March 31, 2018
Expenditures (continued):		
Commodities:		
Office supplies	\$ 2,000	1,695
Operating	7,000	6,289
Postage	50	1
Impound fee	1,000	-
Automotive fuel/oil	9,000	6,104
Animal control	100	-
Miscellaneous/contingency	2,000	648
Capital outlay:		
Equipment	16,000	3,252
Total expenditures	<u>218,040</u>	<u>180,587</u>
Net change in fund balance	<u>\$ (6,953)</u>	<u>64,559</u>
Fund balance, beginning of year, as originally reported		26,638
Prior period adjustment		<u>1,814</u>
Fund balance, beginning of year, restated		<u>28,452</u>
Fund balance, end of year		<u>\$ 93,011</u>

VILLAGE OF SHERIDAN, ILLINOIS
STREETS FUND

SCHEDULE B-3

Balance Sheet
March 31, 2018

<u>Assets</u>		
Cash		\$ 23,087
Due from State of Illinois		<u>44,498</u>
Total assets		<u>67,585</u>
<u>Deferred Outflows of Resources</u>		
Property taxes levied for subsequent years		<u>1,001</u>
Total deferred outflows		<u>1,001</u>
Total assets and deferred outflows		<u>\$ 68,586</u>
<u>Liabilities</u>		
Accounts payable		<u>\$ 5,516</u>
Total liabilities		<u>5,516</u>
<u>Deferred Inflows of Resources</u>		
Property taxes levied for subsequent years		<u>1,001</u>
Total deferred inflows of resources		<u>1,001</u>
<u>Fund Balance</u>		
Assigned fund balance		<u>62,069</u>
Total fund balance		<u>62,069</u>
Total liabilities, deferred inflows, and fund balance		<u>\$ 68,586</u>

VILLAGE OF SHERIDAN, ILLINOIS
STREETS FUND

SCHEDULE B-4

Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018

	Original and Final Budget	Year Ended March 31, 2018
Revenues:		
Property taxes	\$ 10,000	10,101
Utility tax	23,120	24,690
Liquor license	1,887	1,547
Income tax	96,900	120,443
Replacement tax	374	365
Sales tax	40,800	55,378
Use tax	21,080	27,861
Interest income	230	243
Miscellaneous	200	1,328
Total revenues	<u>194,591</u>	<u>241,956</u>
Expenditures:		
Administrative:		
Regular salaries	46,000	42,929
Unemployment insurance	250	195
Social security	2,000	2,662
Medicare	500	623
Contractual services:		
Maintenance service - building	7,500	25,621
Maintenance service - equipment	6,000	3,922
Maintenance service - vehicles	4,000	5,193
Maintenance service - streets	125,000	93,887
Engineering services	10,000	54,284
Legal services	3,000	2,526
Sidewalk/construction	5,000	352
Special sidewalk construction	50,000	47,000
Tree removal	15,000	19,070
Regular telephone	750	674
Cell phone	1,000	586
Utilities	2,200	1,684
Street lighting	10,000	7,799
Commodities:		
Operating supplies	1,000	-
Fuel and oil	5,000	3,349
De-icing/chloride	5,500	2,984
Miscellaneous/contingency	1,000	1,009
Total expenditures	<u>300,700</u>	<u>316,349</u>
Net change in fund balance	<u>\$ (106,110)</u>	<u>(74,393)</u>
Fund balance, beginning of year, as originally reported		136,667
Prior period adjustment		<u>(205)</u>
Fund balance, beginning of year, restated		<u>136,462</u>
Fund balance, end of year		<u>\$ 62,069</u>

VILLAGE OF SHERIDAN, ILLINOIS
SPECIAL SEWER RESERVE FUND

SCHEDULE B-5

Balance Sheet
March 31, 2018

<u>Assets</u>		
Cash		\$ 154,481
Total assets		<u>\$ 154,481</u>
<u>Fund Balance</u>		
Assigned fund balance		\$ 154,481
Total fund balance		<u>\$ 154,481</u>

Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018

SCHEDULE B-6

	Original and Final Budget	Year Ended March 31, 2018
Revenues:		
Miscellaneous income	\$ -	-
Total revenues	<u>-</u>	<u>-</u>
Expenditures:		
Miscellaneous	1,000	-
Total expenditures	<u>1,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,000)</u>	-
Fund balance, beginning of year		154,481
Fund balance, end of year		<u>\$ 154,481</u>

**VILLAGE OF SHERIDAN, ILLINOIS
MOTOR FUEL TAX FUND**

SCHEDULE B-7

**Balance Sheet
March 31, 2018**

<u>Assets</u>	
Cash	\$ 121,674
Due from State of Illinois	5,570
Total assets	<u>\$ 127,244</u>
<u>Fund Balance</u>	
Restricted fund balance	<u>\$ 127,244</u>
Total fund balance	<u>\$ 127,244</u>

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018**

SCHEDULE B-8

	<u>Original and Final Budget</u>	<u>Year Ended March 31, 2018</u>
Revenues:		
Motor fuel tax	\$ 70,000	78,173
Interest income	175	208
Total revenues	<u>70,175</u>	<u>78,381</u>
Expenditures:		
Engineering service	10,000	17,608
Street improvements	100,000	70,367
Miscellaneous	1,000	318
Total expenditures	<u>111,000</u>	<u>88,293</u>
Net change in fund balance	<u>\$ (40,825)</u>	<u>(9,912)</u>
Fund balance, beginning of year, as originally reported		87,156
Prior period adjustment		<u>50,000</u>
Fund balance, beginning of year, restated		<u>137,156</u>
Fund balance, end of year		<u>\$ 127,244</u>

VILLAGE OF SHERIDAN, ILLINOIS
SEWER FUND

SCHEDULE B-9

Balance Sheet
March 31, 2018

<u>Assets</u>	
Cash	\$ 224,382
Due from State of Illinois	18,182
Total assets	<u>\$ 242,564</u>
<u>Liabilities & Fund Balance</u>	
Liabilities:	
Accounts payable	\$ 4,520
Total liabilities	<u>4,520</u>
Fund balance:	
Assigned fund balance	<u>238,044</u>
Total fund balance	<u>238,044</u>
Total liabilities & fund balance	<u>\$ 242,564</u>

Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018

SCHEDULE B-10

	Original and Final Budget	Year Ended March 31, 2018
Revenues:		
Utility tax	\$ 2,040	2,097
Liquor license	167	137
Income tax	8,550	9,653
Replacement tax	33	29
Sales tax	3,600	4,413
Use tax	1,860	2,289
Interest income	20	21
Sewer maintenance fees	39,000	42,040
Total revenues	<u>55,270</u>	<u>60,679</u>
Expenditures:		
Maintenance service sewer	75,000	4,477
Engineering services	7,000	580
Legal services	1,500	145
Postage	500	392
Publications	100	-
Utilities	600	645
Miscellaneous	1,000	-
Total expenditures	<u>85,700</u>	<u>6,239</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,430)</u>	<u>54,440</u>
Other financing sources (uses):		
Transfers in (out)	-	63,805
Change in net position	<u>\$ (30,430)</u>	<u>118,245</u>
Fund balance, beginning of year, as originally reported		114,120
Prior period adjustment		<u>5,679</u>
Fund balance, beginning of year, restated		119,799
Net position, end of year		<u>\$ 238,044</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF SHERDIAN, ILLINOIS

Notes to Required Supplementary Information For the Year Ended March 31, 2018

NOTE 1: BUDGETARY PROCEDURES

The Village follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The municipal budget officer compiles a budget containing estimates of revenues available to the Village for the fiscal year for which the budget is drafted, together with recommended expenditures for the Village and all the Village's departments, commissions and boards.
2. The annual budget is adopted by the Board of Trustees before the beginning of the fiscal year to which it applies.
3. Formal budgetary integration is employed as a management control device at the fund level during the year for the General Fund and Special Revenue Funds.
4. The Budget is adopted on a cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP). Budgetary amounts presented in this report are on this non-GAAP budgetary basis, which differs from the GAAP basis used in the Schedule of Revenues, Expenditures, and Changes in Fund Balance. The difference was determined to be immaterial, and no reconciliation has been included.
5. On May 8, 2017, the Village approved Ordinance No. 2017-12 adopting the annual budget for the fiscal year ending March 31, 2018. The budget was not amended.

NOTE 2: BUDGETARY COMPARISONS – MAJOR FUNDS

The following is an analysis of budget versus actual amounts for the Village's major funds for the year ended March 31, 2018:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Percent Variance</u>
General Fund	\$ 146,090	133,737	12,353	9.24%
Police Fund	218,040	180,587	37,453	20.74%
Streets Fund	300,700	316,349	(15,649)	-4.95%
Special Sewer Reserve Fund	1,000	-	1,000	N/A
Motor Fuel Tax Fund	111,000	88,293	22,707	25.72%
Sewer Fund	85,700	6,239	79,461	1273.62%

NOTE 3: EXPENDITURES IN EXCESS OF APPROPRIATIONS

As seen in the above table, the Village's Streets Fund expenditures exceeded appropriations by \$15,649. Refer to page 5 for more detail on the overage. The Village's other major fund expenditures were within budgetary limitations.

SUPPLEMENTARY INFORMATION

VILLAGE OF SHERIDAN, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE C-1

Combining Balance Sheet
March 31, 2018

	Special Revenue Funds							Capital Projects Fund	Total Non-Major Governmental Funds	
	Zoning and Building Fund	Cemetery Fund	Parks Fund	Street Equip. Reserve Fund	Police Vehicle Reserve Fund	DARE Fund	Veterans Memorial Park Fund	IEPA Sliplining Project Fund	Capital Project Fund	March 31, 2018
<u>Assets</u>										
Cash in bank	\$ 29,887	9,629	7,690	91,370	33,987	4,474	1,442	-	57,000	235,479
Due from State of Illinois	2,225	-	5,562	1,112	2,225	-	-	-	3,337	14,461
Total assets	<u>\$ 32,112</u>	<u>9,629</u>	<u>13,252</u>	<u>92,482</u>	<u>36,212</u>	<u>4,474</u>	<u>1,442</u>	<u>-</u>	<u>60,337</u>	<u>249,940</u>
<u>Liabilities</u>										
Accounts payable	\$ 2,185	-	204	-	-	-	-	-	-	2,389
Total liabilities	<u>2,185</u>	<u>-</u>	<u>204</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,389</u>
<u>Fund balances</u>										
Assigned	<u>29,927</u>	<u>9,629</u>	<u>13,048</u>	<u>92,482</u>	<u>36,212</u>	<u>4,474</u>	<u>1,442</u>	<u>-</u>	<u>60,337</u>	<u>247,551</u>
Total fund balance	<u>29,927</u>	<u>9,629</u>	<u>13,048</u>	<u>92,482</u>	<u>36,212</u>	<u>4,474</u>	<u>1,442</u>	<u>-</u>	<u>60,337</u>	<u>247,551</u>
Total liabilities & fund balances	<u>\$ 32,112</u>	<u>9,629</u>	<u>13,252</u>	<u>92,482</u>	<u>36,212</u>	<u>4,474</u>	<u>1,442</u>	<u>-</u>	<u>60,337</u>	<u>249,940</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended March 31, 2018

	Special Revenue Funds							Capital Project Fund	Total Non-Major Governmental Funds	
	Zoning and Building Fund	Cemetery Fund	Parks Fund	Street Equip. Reserve Fund	Police Vehicle Reserve Fund	DARE Fund	Veterans Memorial Park Fund	IEPA Sliplining Project Fund	Capital Project Fund	March 31, 2018
Revenues:										
Replacement tax	\$ 12	-	19	35	28	-	-	-	48	142
Sales tax	1,884	-	2,812	5,367	4,413	-	-	-	7,252	21,728
Income tax	4,066	-	5,976	11,811	9,653	-	-	-	15,877	47,383
Use tax	912	-	1,244	2,867	2,290	-	-	-	3,778	11,091
Utility tax	771	-	931	2,707	2,097	-	-	-	3,477	9,983
Building and zoning	1,737	-	-	-	-	-	-	-	-	1,737
Liquor licenses	46	-	46	182	137	-	-	-	228	639
Interest income	7	-	7	29	23	-	-	-	35	101
Donations	-	-	-	-	-	4,305	375	-	-	4,680
Miscellaneous	13,412	-	-	10,500	400	-	-	-	-	24,312
Total revenues	22,847	-	11,035	33,498	19,041	4,305	375	-	30,695	121,796
Expenditures:										
General government	21,978	243	17,438	-	-	-	1,569	-	-	41,228
Public safety	-	-	-	-	4,953	1,508	-	-	-	6,461
Total expenditures	21,978	243	17,438	-	4,953	1,508	1,569	-	-	47,689
Excess (deficiency) of revenues over (under) expenditures	869	(243)	(6,403)	33,498	14,088	2,797	(1,194)	-	30,695	74,107
Other financing sources (uses):										
Transfers (to) from	-	-	-	-	-	-	-	(63,805)	-	(63,805)
Net change in fund balance	869	(243)	(6,403)	33,498	14,088	2,797	(1,194)	(63,805)	30,695	10,302
Fund balance, beginning of year, as originally reported	29,074	10,133	19,466	59,011	22,461	2,134	2,636	63,040	25,646	233,601
Prior period adjustment	(16)	(261)	(15)	(27)	(337)	(457)	-	765	3,996	3,648
Fund balance, beginning of year, restated	29,058	9,872	19,451	58,984	22,124	1,677	2,636	63,805	29,642	237,249
Fund balance end of year	\$ 29,927	9,629	13,048	92,482	36,212	4,474	1,442	-	60,337	247,551

VILLAGE OF SHERIDAN, ILLINOIS
ZONING AND BUILDING FUND

SCHEDULE C-3

Balance Sheet
March 31, 2018

<u>Assets</u>	
Cash	\$ 29,887
Due from State of Illinois	2,225
Total assets	\$ 32,112
<u>Liabilities & Fund Balance</u>	
Liabilities:	
Accounts payable	\$ 2,185
Total liabilities	2,185
Fund balance:	
Assigned fund balance	29,927
Total fund balance	29,927
Total liabilities and fund balance	\$ 32,112

Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018

SCHEDULE C-4

	Original and Final Budget	Year Ended March 31, 2018
Revenues:		
Utility tax	\$ 680	771
Liquor license	56	46
Building permits	2,500	837
Zoning permits	400	900
State income tax	2,850	4,066
Replacement tax	11	12
Sales tax	1,200	1,884
Use tax	620	912
Interest income	7	7
Miscellaneous	500	13,412
Total revenues	8,823	22,847
Expenditures:		
Salary - Clerk	300	300
Salaries - Zoning enforcement	2,400	2,400
Salaries - Zoning & planning	500	270
Salaries - Inspections	800	94
Special inspections	300	-
Payroll expenses	16	1
Professional services	7,000	17,527
Postage	150	168
Publishing	300	365
Water testing	1,000	772
Miscellaneous/contingency	1,000	81
Total expenditures	13,766	21,978
Net change in fund balance	\$ (4,943)	869
Fund balance, beginning of year, as originally reported		29,074
Prior period adjustment		(16)
Fund balance, beginning of year, restated		29,058
Fund balance, end of year		\$ 29,927

VILLAGE OF SHERIDAN, ILLINOIS
CEMETERY FUND

SCHEDULE C-5

Balance Sheet
March 31, 2018

<u>Assets</u>	
Cash	\$ 9,629
Total assets	<u>\$ 9,629</u>
<u>Fund Balance</u>	
Assigned fund balance	\$ 9,629
Total fund balance	<u>\$ 9,629</u>

Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018

SCHEDULE C-6

	Original and Final Budget	Year Ended March 31, 2018
Revenues:		
Memorials	\$ 300	-
Lot sales	250	-
Railroad dividends	4	-
Interest income	2,505	-
Donations	600	-
Miscellaneous	250	-
Total revenues	<u>3,909</u>	<u>-</u>
Expenditures:		
Maintenance services	14,782	-
Grave decorations	200	-
Bank charges	15	-
Utilities	300	243
Office supplies	100	-
Miscellaneous	1,000	-
Total expenditures	<u>16,397</u>	<u>243</u>
Net change in fund balance	<u>\$ (12,488)</u>	<u>(243)</u>
Fund balance, beginning of year, as originally reported		10,133
Prior period adjustment		<u>(261)</u>
Fund balance, beginning of year, restated		<u>9,872</u>
Fund balance, end of year		<u>\$ 9,629</u>

VILLAGE OF SHERIDAN, ILLINOIS
PARKS FUND

SCHEDULE C-7

Balance Sheet
March 31, 2018

<u>Assets</u>		
Cash		\$ 7,690
Due from State of Illinois		5,562
Total assets		<u>\$ 13,252</u>
<u>Liabilities & Fund Balance</u>		
Liabilities:		
Accounts payable		<u>\$ 204</u>
Total liabilities		<u>204</u>
Fund balance:		
Assigned fund balance		<u>13,048</u>
Total fund balance		<u>13,048</u>
Total liabilities & fund balance		<u>\$ 13,252</u>

Statement of Received, Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018

SCHEDULE C-8

	<u>Original and Final Budget</u>	<u>Year Ended March 31, 2018</u>
Revenues:		
Utility tax	\$ 680	931
Liquor license	56	46
Income tax	2,850	5,976
Replacement tax	11	19
Sales tax	1,200	2,812
Use tax	620	1,244
Interest income	7	7
Total revenues	<u>5,423</u>	<u>11,035</u>
Expenditures:		
Utilities	4,600	4,347
Operating supplies	200	-
Rentals	500	-
Community relations	200	-
Park improvement	3,000	7,593
Decoration	3,000	4,867
Mulch/playground equipment	1,500	110
Miscellaneous	500	521
Total expenditures	<u>13,500</u>	<u>17,438</u>
Net change in fund balance	<u>\$ (8,077)</u>	<u>(6,403)</u>
Fund balance, beginning of year, as originally reported		19,466
Prior period adjustment		<u>(15)</u>
Fund balance, beginning of year, restated		<u>19,451</u>
Fund balance, end of year		<u>\$ 13,048</u>

**VILLAGE OF SHERIDAN, ILLINOIS
STREET EQUIPMENT RESERVE FUND**

SCHEDULE C-9

**Balance Sheet
March 31, 2018**

		<u>Assets</u>	
Cash			\$ 91,370
Due from State of Illinois			1,112
Total assets			<u>\$ 92,482</u>
		<u>Fund Balance</u>	
Assigned fund balance			<u>\$ 92,482</u>
Total fund balance			<u>\$ 92,482</u>

**Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018**

SCHEDULE C-10

	Original and Final Budget	Year Ended March 31, 2018
Revenues:		
Utility tax	\$ 2,720	2,707
Liquor licenses	222	182
Income tax	11,400	11,811
Replacement tax	44	35
Sales tax	4,800	5,367
Use tax	2,480	2,867
Interest income	27	29
Miscellaneous	-	10,500
Total revenues	<u>21,693</u>	<u>33,498</u>
Expenditures:		
Miscellaneous	<u>2,000</u>	-
Total expenditures	<u>2,000</u>	-
Net change in fund balance	<u>\$ 19,693</u>	<u>33,498</u>
Fund balance, beginning of year, as originally reported		59,011
Prior period adjustment		<u>(27)</u>
Fund balance, beginning of year, restated		58,984
Fund balance, end of year		<u>\$ 92,482</u>

VILLAGE OF SHERIDAN, ILLINOIS
POLICE VEHICLE RESERVE FUND

SCHEDULE C-11

Balance Sheet
March 31, 2018

<u>Assets</u>	
Cash	\$ 33,987
Due from State of Illinois	2,225
Total assets	<u>\$ 36,212</u>
<u>Fund Balance</u>	
Assigned fund balance	\$ 36,212
Total fund balance	<u>\$ 36,212</u>

Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018

SCHEDULE C-12

	Original and Final Budget	Year Ended March 31, 2018
Revenues:		
Utility tax	\$ 2,040	2,097
Liquor licenses	167	137
Income tax	8,550	9,653
Replacement tax	33	28
Sales tax	3,600	4,413
Use tax	1,860	2,290
LaSalle police vehicle fund	500	400
Interest income	20	23
Miscellaneous	250	-
Total revenues	<u>17,020</u>	<u>19,041</u>
Expenditures:		
Miscellaneous	3,000	4,953
Total expenditures	<u>3,000</u>	<u>4,953</u>
Net change in fund balance	<u>\$ 14,020</u>	<u>14,088</u>
Fund balance, beginning of year, as originally reported		22,461
Prior period adjustment		<u>(337)</u>
Fund balance, beginning of year, restated		<u>22,124</u>
Fund balance, end of year		<u>\$ 36,212</u>

**Balance Sheet
March 31, 2018**

<u>Assets</u>	
Cash	\$ 4,474
Total assets	<u>\$ 4,474</u>
<u>Fund Balance</u>	
Assigned fund balance	\$ 4,474
Total fund balance	<u>\$ 4,474</u>

**Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018**

SCHEDULE C-14

	Original and Final Budget	Year Ended March 31, 2018
Revenues:		
Donations	\$ 1,500	4,305
Total revenues	<u>1,500</u>	<u>4,305</u>
Expenditures:		
DARE Expenses	2,500	1,508
Community Relations	50	-
Total expenditures	<u>2,550</u>	<u>1,508</u>
Net change in fund balance	<u>\$ (1,050)</u>	<u>2,797</u>
Fund balance, beginning of year, as originally reported		2,134
Prior period adjustment		<u>(457)</u>
Fund balance, beginning of year, restated		<u>1,677</u>
Fund balance, end of year		<u>\$ 4,474</u>

Balance Sheet
March 31, 2018

<u>Assets</u>		
Cash		\$ 1,442
Total assets		<u>\$ 1,442</u>
<u>Fund Balance</u>		
Assigned fund balance		\$ 1,442
Total fund balance		<u>\$ 1,442</u>

Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018

	<u>Original and Final Budget</u>	<u>Year Ended March 31, 2018</u>
Revenues:		
Donations	\$ 1,500	375
Total revenues	<u>1,500</u>	<u>375</u>
Expenditures:		
Community relations	300	-
Park improvements	2,000	1,374
Miscellaneous/contingency	500	195
Total expenditures	<u>2,800</u>	<u>1,569</u>
Net change in fund balance	<u>\$ (1,300)</u>	<u>(1,194)</u>
Fund balance, beginning of year		<u>2,636</u>
Fund balance, end of year		<u>\$ 1,442</u>

VILLAGE OF SHERIDAN, ILLINOIS
IEPA SLIPLINING PROJECT FUND

SCHEDULE C-17

Balance Sheet
March 31, 2018

<u>Assets</u>		
Cash		\$ -
Total assets		<u>\$ -</u>
<u>Fund Balance</u>		
Assigned fund balance		\$ -
Total fund balance		<u>\$ -</u>

Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018

SCHEDULE C-18

	Original and Final Budget	Year Ended March 31, 2018
Revenues:		
Miscellaneous	\$ -	-
Total revenues	<u>-</u>	<u>-</u>
Expenditures:		
Miscellaneous	-	-
Total expenditures	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>
Other financing sources (uses):		
Transfers out	-	(63,805)
Total other financing sources (uses)	<u>-</u>	<u>(63,805)</u>
Net change in fund balance	<u>\$ -</u>	<u>(63,805)</u>
Fund balance, beginning of year, as originally reported		63,040
Prior period adjustment		765
Fund balance, beginning of year, restated		<u>63,805</u>
Fund balance, end of year		<u>\$ -</u>

VILLAGE OF SHERIDAN, ILLINOIS
CAPITAL PROJECT FUND

SCHEDULE D-1

Balance Sheet
March 31, 2018

<u>Assets</u>	
Cash	\$ 57,000
Due from State of Illinois	3,337
Total assets	<u>\$ 60,337</u>
<u>Fund Balance</u>	
Committed fund balance	\$ 60,337
Total fund balance	<u>\$ 60,337</u>

Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018

SCHEDULE D-2

	Original and Final Budget	Year Ended March 31, 2018
Revenues:		
Utility tax	\$ 3,400	3,477
Liquor licenses	278	228
Income tax	14,250	15,877
Replacement tax	55	48
Sales tax	6,000	7,252
Use tax	3,100	3,778
Interest income	34	35
Miscellaneous	500	-
Total revenues	<u>27,616</u>	<u>30,695</u>
Expenditures:		
Miscellaneous	2,000	-
Total expenditures	<u>2,000</u>	<u>-</u>
Net change in fund balance	<u>\$ 25,616</u>	<u>30,695</u>
Fund balance, beginning of year, as originally reported		25,646
Prior period adjustment		3,996
Fund balance, beginning of year, restated		<u>29,642</u>
Fund balance, end of year		<u>\$ 60,337</u>

**Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance
 For the Year Ended March 31, 2018**

	Sheridan Cemetery Association	Sheridan Historical Society	Total Component Units
Revenues:			
Memorials	\$ 250	-	250
Memberships	-	40	40
Donations	390	939	1,329
Fundraisers & programs	-	-	-
Interest income	2,101	-	2,101
Lots sold	700	-	700
Miscellaneous	50	85	135
Total revenues	<u>3,491</u>	<u>1,064</u>	<u>4,555</u>
Expenditures:			
Caretaker	13,200	-	13,200
Miscellaneous	775	265	1,040
Total expenditures	<u>13,975</u>	<u>265</u>	<u>14,240</u>
Net change in fund balance	(10,484)	799	(9,685)
Fund balance, beginning of year	186,456	12,332	198,788
Fund balance, end of year	<u>\$ 175,972</u>	<u>13,131</u>	<u>189,103</u>

**Assessed Valuations, Tax Rates, Tax Extensions
and Tax Collections**

	Maximum Rate	2016	2017
Assessed valuations		\$ 10,159,621	10,220,202
Tax Rates:			
General	0.2500	0.1452	0.1468
Police Protection	0.0750	0.0738	0.0734
Audit	N/A	0.0591	0.0587
Liability Insurance	N/A	0.1969	0.2153
Street & Bridge	0.1000	0.0136	0.0098
Totals		0.4885	0.5039
Tax extensions:			
General		\$ 14,751	15,000
Police Protection		7,501	7,501
Audit		6,000	6,000
Liability Insurance		20,000	22,000
Street & Bridge		1,377	1,001
Totals		\$ 49,629	51,502
Road & Bridge (from townships)		\$ 8,732	-
Tax collections		\$ 58,063	-

OTHER REPORTS



116 E. Washington Street
Suite One
Morris, Illinois 60450

Phone: (815) 942-3306
Fax: (815) 942-9430
www.mackcpas.com

TAWNYA R. MACK, CPA
LAURI POPE, CPA
ERICA BLUMBERG, CPA
TREVOR DEBELAK, CPA
MATT MELVIN
CHRIS CHRISTENSEN
STEPHANIE HEISNER

CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditors' Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards**

To the Honorable Mayor and
Village Board of Trustees
Village of Sheridan, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Village of Sheridan, as of and for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise Village of Sheridan's basic financial statements, and have issued our report thereon dated September 10, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Village of Sheridan's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Village of Sheridan's internal control. Accordingly, we do not express an opinion on the effectiveness of Village of Sheridan's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance (2018-01).

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Sheridan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Village of Sheridan in a separate letter dated September 10, 2018.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
September 10, 2018

VILLAGE OF SHERIDAN, ILLINOIS

Schedule of Findings March 31, 2018

We consider the deficiency in internal control described below to be a significant deficiency:

2018-01: Financial Statement Preparation

Condition:

The Village's personnel do not prepare the Village's financial statements and related disclosures. The Village engages the external auditors to assist in preparing these reports using the financial reports provided by the Village. While the Village's financial reports are adequate, the Village does not prepare the required related disclosures. In addition, the Village's financial statements are presented using Generally Accepted Accounting Principles (GAAP). However, the Village records governmental activities using the cash basis of accounting. Receivables, payables, prepaids, and accruals are not reported or calculated by the Village.

Criteria:

The Board of Trustees has the ultimate responsibility for the Village's system of internal control over financial reporting. As independent auditors, the external auditors cannot be considered a part of the Village's system of internal controls. While it is acceptable to outsource various functions, responsibility for internal control cannot be outsourced to external auditors.

While it is common practice for the auditors to prepare the financial statements for many entities, this is considered an internal control deficiency in accordance with generally accepted auditing standards, which requires written communication to those charged with governance.

Cause:

The Village lacks the resources to prepare complete and accurate financial statements and related note disclosures.

Effect:

Because the auditors, not management, have prepared the financial statements and related disclosures, material misstatements to the financial statements may not be prevented or detected by the Village's system of internal controls.

Recommendation:

The Village could consider the costs and benefits of dedicating the necessary staff resources, technical training, and oversight to ensure the Village's financial statements are accurately prepared in accordance with the accounting principles general accepted in the United States of America. However, the Village may determine that the cost of implementing internal controls related to financial statement preparation in accordance with GASB standards outweighs the benefits to be gained.